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STATE OF MONTANA

MILES COMMUNITY COLLEGE
REPORT ON AUDIT

Conducted Under Contract By
James J. Wosepka
Certified Public Accountant

Fiscal Years Ended June 30, 1988 and 1987

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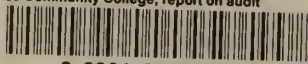


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STATE OF MONTANA

MILES COMMUNITY COLLEGE
REPORT ON AUDIT

Conducted Under Contract By
James J. Wosepka
Certified Public Accountant

Fiscal Years Ended June 30, 1988 and 1987

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122

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LEGISLATIVE AUDITOR:
SCOTT A. SEACAT

LEGAL COUNSEL:
JOHN W. NORTHEY

November 1988

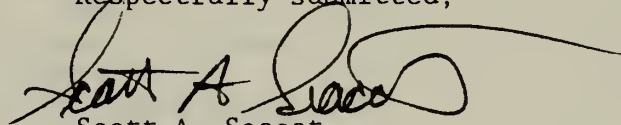
The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Miles Community College for the
two fiscal years ended June 30, 1988.

The audit was conducted by James J. Wosepka, CPA, under a contract between
the firm and our office. The comments and recommendations contained in
this report represent the views of the firm and not necessarily the Legis-
lative Auditor.

The agency's written response to the report recommendations is included in
the back of the audit report.

Respectfully submitted,



Scott A. Seacat
Legislative Auditor

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

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MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

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MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

APPOINTIVE AND ADMINISTRATIVE OFFICIALS

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION

TED SCHWINDEN	Governor
CARROL KRAUSE	Commissioner of Higher Education
ED ARGENBRIGHT	Superintendent of Public Instruction
DENNIS E. LIND (1989)	Chairman
BERT HURWITZ (1993)	Vice-Chairman
LESLIE KEHOE (1988)	
BEATRICE MCCARTHY (1990)	
JEFF MORRISON (1994)	
ELSIE REDLIN (1991)	
JIM KAZE (1992)	

MILES COMMUNITY COLLEGE BOARD OF TRUSTEES

JAMES P. LUCAS
PAUL MOTTRAM
EILLEN CARLSON
JESSICA STICKNEY
KEN BOWAR
MILTON BENGE
MARSHALL GARDNER

ADMINISTRATION

JUDSON H. FLOWER	President
ROBERT HOKOM	Dean of Instructional Services
W. WAYNE MURI	Business Manager
JOHN C. KOCH	Dean of College Services
DALE E. OBERLANDER	Dean of Student Services
FRED MCKEE	Director of Planning and Development

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

GENERAL

I performed a financial/compliance audit of the Miles Community College for the fiscal years ended June 30, 1988 and 1987. The objectives of my audit were to: (1) determine if the financial statements of the college present fairly its financial position and results of operations for the fiscal years then ended; (2) determine if the college complied with applicable state and federal laws and regulations; (3) make recommendations for the improvement of management and internal controls; and (4) determine whether prior audit recommendations have been effectively implemented.

I thank the Miles Community College staff for their cooperation and assistance during my audit.

BACKGROUND

Miles Community College at Miles City, Montana was founded in 1939 under authority of legislation enacted by the Montana Legislative Assembly earlier that same year. For almost twenty years the college, then titled Custer County Junior College, operated out of a few rooms in the local public high school. In 1957 the college moved into the former Milwaukee RR Depot Building, which was constructed after passage of a bond issue by county voters. The new building is located on the present campus site, which was donated to the college by the American Legion.

A resolution passed by the joint College-High School Board in January, 1970, established an independent junior college district. On April 4, 1970, voters of the district elected the first independent Board of Trustees for the college. During academic year 1971-72 the college purchased a Vo-Tech Building adjacent to the campus, and completed construction of a new Student Center.

In December 1971, Miles Community College was granted full accreditation by the Northwest Association of Schools and Colleges. The fifth year review by the Northwest Association continued the full accreditation of the College and reaffirmed the quality of the programs, thereby insuring the easy transfer of credits to other colleges.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

A grant of 1.5 million dollars from the Montana Coal Board in 1977 enabled the College to construct a new vocational building and library-classroom addition.

Construction of a physical recreation complex was completed in November, 1980. This facility includes a large gymnasium, four racquetball-handball courts, and an exercise deck with weight machines.

The college has access to a 46-unit coed dormitory which was ready for occupancy in the Fall of 1981.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

RECOMMENDATIONS

Investment in Plant Fund

The college set up an Investment in Plant Fund on the general ledger of the college's accounting system, however, the full value of the investment and the reduction in debt have not been posted. Therefore, the detail of fixed assets has not been reconciled to the Investment in Plant Fund.

Recommendation #1

I recommend the college:

- A. Update the Investment in Plant Fund at least annually, to be in agreement with the assets owned and the debt owed.
- B. Reconcile the subsidiary ledger of fixed assets to the Investment in Plant Fund.

Delinquency Rate Exceeds 5% in NSL Program

The college is no longer making loans under the NSL Program, however the delinquency rate is still in excess of 5% allowed by HHS guidelines.

Recommendation #2

I recommend the college continue its collection efforts to reduce the delinquency rate.

Computer Accounting System

The college has acquired a computer system with the capabilities of preparing a combined trial balance, but did not have in operation as of June 30, 1988.

Recommendation #3

I recommend the college implement the new software.

Prior Year Adjustments

Several of the prior audit adjustments were not posted to the general ledger.

Recommendation #4

I recommend all audit adjustments be posted so accurate information may be provided to the trustees.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

RECOMMENDATIONS

Federal Student Financial Assistance Programs

A review of the Federal Student Financial Assistance Programs by a Federal Program Specialist was made in May, 1988. The following three findings were reported. The college has implemented procedures and responded to all three findings. The responses are included with the college's response, pages 41-45.

1. Late Matching of College Work-Study Funds

Finding: After reviewing institutional records, it appears that Federal Funds used in the College Work-Study Program have not always been matched with institutional funds in a timely manner.

Requirement: The institution must develop procedures to ensure that the required institutional match of CWS Funds is paid at the same time the Federal share is paid to the student.

2. Federal Cash Reconciliation

Finding: A review of Miles Community College's Federal cash reconciliation as of June 30, 1987, revealed a difference between Federal cash as reflected on the school's ledgers and Federal cash as reflected on the EDPMS 272 Federal Cash Transaction Report (Status of Federal cash). The figures are as follows:

ED Form PMS 272	\$3,542.54
School's Ledger	3,646.15

Requirement: To maintain adequate control over Federal cash, it is recommended that procedures be established which will ensure the reconciliation of Federal cash as reflected on the Federal Cash Transactions Report (PMS 272) to Federal cash as reflected on the school's general ledger. If such a reconciliation indicates a difference, the procedure should also provide for the prompt resolution of the difference.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

RECOMMENDATIONS

3. Identification of Federal Funds

Finding: As indicated during the review, programatic Federal funds on deposit in banks have not been specifically identified as such.

Requirement: Notice must be given to the bank identifying that Federal funds are deposited in the appropriate account. This notice must be made by means of a letter to the bank. During the on site review, the institution prepared the required letter to the bank.

Recommendation #5

I recommend the procedures set up to comply with the Federal Student Financial Assistance Programs continue to be followed.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

FTE COUNTS

A major funding criterion for the College is the number of full-time equivalent (FTE) students registered. FTE's are computed in accordance with guidelines published by the Commissioner of Higher Education. I reviewed the FTE counts reported by the College for fiscal years 1986-1987 and 1987-1988 for compliance with published guidelines and accuracy. I found no exceptions at the Miles Community College (see Student Full-Time Equivalent, page 35).

PRIOR AUDIT RECOMMENDATIONS

The audit of two fiscal years ended June 30, 1986 of the Miles Community College contained thirteen recommendations. Six of the recommendations were implemented, one is not applicable to the current audit period and six are repeated entirely, or in part. The first four of this periods recommendations include the one repeated.

JAMES J. WOSEPKA

CERTIFIED PUBLIC ACCOUNTANT

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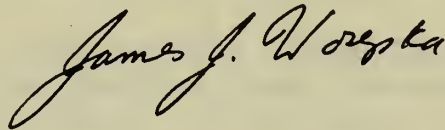
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Legislative Audit Committee of the Montana State Legislature

I have examined the accompanying financial statements of the Miles Community College as of and for the two year period ended June 30, 1988 and 1987 and have issued my report thereon dated October 26, 1988. My examination was made in accordance with generally accepted auditing standards, and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The management of Miles Community College is responsible for the Institution's compliance with laws and regulations. In connection with my examination referred to above, I selected and tested transactions and records to determine the Institution's compliance with laws and regulations noncompliance with which could have a material effect on the basic financial statements of Miles Community College.

The results of my tests indicate that for the items tested, Miles Community College complied with those provisions of laws and regulations noncompliance with which could have a material effect on the basic financial statements. Nothing came to my attention that caused me to believe that for the items not tested Miles Community College, was not in compliance with laws or regulations noncompliance with which could have a material effect on Miles Community College's basic financial statements.



Baker, Montana
October 26, 1988

JAMES J. WOSEPKA

CERTIFIED PUBLIC ACCOUNTANT

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Legislative Audit Committee of the Montana State Legislature

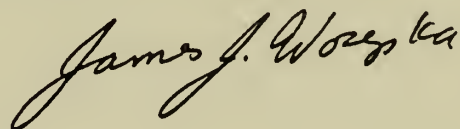
I have examined the accompanying financial statements of Miles Community College as of and for the two-years ended June 30, 1988, and have issued my report thereon dated October 26, 1988. My examination was made in accordance with generally accepted auditing standards; the standards for financial and compliance audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the U.S. General Accounting Office; the Student Financial Assistance Audit Guide, May 1988 and accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

The management of Miles Community College is responsible for the Miles Community College compliance with laws and regulations. In connection with the examination referred to above I selected and tested transactions and records from Perkins Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grant Program, and Pell Grant Program. The purpose of my testing of transactions and records from these financial assistance programs was to obtain reasonable assurance that the Institution had, in all material respects, administered each program, in compliance with laws and regulations, non-compliance with which I believe could have material effect on the allowability of program expenditures.

My testing of transactions and records selected from student financial assistance programs did not disclose any instances of noncompliance with those laws and regulations.

In my opinion, for the two year period ended June 30, 1988, the Institution administered Perkins Loan Program, College Work-Study Program, Supplemental Educational Opportunity Grant Program, Pell Grant Program, in compliance, in all material respects, with laws and regulations, including those pertaining to financial reports, noncompliance with which I believe could have material effect on the allowability of program expenditures.

Baker, Montana
October 26, 1988



AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

JAMES J. WOSEPKA

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 970
41 CENTRAL AVENUE SOUTH
BEACH, NORTH DAKOTA 58621
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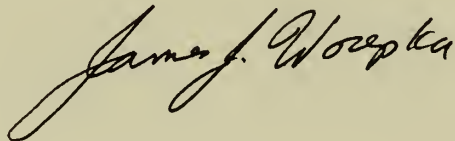
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Legislative Audit Committee of the Montana State Legislature:

I have examined the balance sheets of Miles Community College as of June 30, 1988 and 1987, and the related statements of changes in fund balances and current funds' revenues, expenditures and other changes for the years then ended. My examination was made in accordance with generally accepted auditing standards including generally accepted government auditing standards for financial and compliance audits and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the aforementioned financial statements present fairly the financial position of Miles Community College as of June 30, 1988 and 1987, and the changes in fund balances and the current funds' revenues, expenditures and other changes for the years then ended, in conformity with generally accepted accounting principles consistently applied during the period subsequent to the change with which I concur, made July 1, 1986, relating to the over statement of prior years revenue as described in note 3.

My examination was made for the purpose of forming an opinion on the financial statements taken as a whole. The information included in the supplementary schedules is presented for purpose of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the examinations of the financial statements of Miles Community College, and in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Baker, Montana
October 26, 1988

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

BALANCE SHEET
JUNE 30, 1987

	ASSETS	
	CURRENT	FUNDS
	UNRESTRICTED	
	GENERAL	
	OPERATING	RESTRICTED
Cash on Hand & in Bank	\$ 3,020	\$ --
Cash on Deposits with County Treasurer	58,122	32,299
Receivables:		
Taxes Receivable	120,932	--
Student Loan Rec.	--	--
Accounts Receivable	4,321	9,822
Less Allowance for Doubtful Loans	--	--
Total Receivables	125,253	9,822
Prepaid Expenses	14,047	--
Inventories	28,370	--
Property, Plant & Equipment:		
Land	--	--
Buildings and Improvements	--	--
Equipment/Library Books	--	--
Total Property, Plant & Equipment	--	--
Total Assets	\$228,812	\$42,121
	=====	=====

See Notes to Financial Statements

BALANCE SHEET
JUNE 30, 1987

STUDENT LOAN FUND	AGENCY FUND	PLANT FUNDS		
		RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
<u>\$11,749</u>	<u>\$ --</u>	<u>\$</u>	<u>\$ --</u>	<u>\$ --</u>
<u>568</u>	<u>25,693</u>	<u>10,396</u>	<u>(56,387)</u>	<u>--</u>
--	--	--	--	--
61,793	--	--	--	--
14	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>61,807</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	204,298
--	--	--	--	3,679,619
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,311,070</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,194,987</u>
<u>\$74,124</u>	<u>\$25,693</u>	<u>\$10,396</u>	<u>\$(56,387)</u>	<u>\$5,194,987</u>
=====	=====	=====	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

BALANCE SHEET
JUNE 30, 1987

LIABILITIES AND FUND BALANCES

	<u>CURRENT FUNDS</u>	
	<u>UNRESTRICTED GENERAL OPERATING</u>	<u>RESTRICTED</u>
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 25,328	\$26,475
Compensated Absences	61,926	3,906
Accrued Bond Interest Payable	--	--
Other Liabilities and Deposits	--	--
Unearned Revenues	5,582	--
Mortgage Payable	<u>--</u>	<u>--</u>
Total Liabilities	<u>92,836</u>	<u>30,381</u>
Fund Balances	<u>135,976</u>	<u>11,740</u>
Total Liabilities and Fund Balances	\$228,812 =====	\$42,121 =====

See Notes to Financial Statements

BALANCE SHEET
JUNE 30, 1987

LIABILITIES AND FUND BALANCES

STUDENT LOAN FUND	AGENCY FUND	PLANT FUNDS		
		RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
\$ 2,461	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	25,693	--	--	--
--	--	--	--	--
--	--	--	--	975,888
<u>2,461</u>	<u>25,693</u>	<u>--</u>	<u>--</u>	<u>975,888</u>
<u>71,663</u>	<u>--</u>	<u>10,396</u>	<u>(56,387)</u>	<u>4,219,099</u>
 \$74,124	 \$25,693	 \$10,396	 \$(56,387)	 \$5,194,987
=====	=====	=====	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1987

	CURRENT FUNDS	
	UNRESTRICTED GENERAL OPERATING	RESTRICTED
<u>REVENUES & OTHER ADDITIONS:</u>		
Unrestricted Fund Revenues	\$2,099,715	\$876,468
Restricted Student Fees	--	--
State Funds	--	--
Federal Capital Contributions	--	--
Private Capital Contributions	--	--
Investment Income	--	--
Interest on Loans	--	--
Expended For Plant Facilities	--	--
Retirement of Indebtedness	--	--
	<hr/>	<hr/>
Total Revenues and Other Additions	<u>2,099,715</u>	<u>876,468</u>
 <u>EXPENDITURES & OTHER DEDUCTIONS:</u>		
Educational and General		
Expenditures	1,694,945	882,669
Auxiliary Enterprise Expenditures	360,445	--
Administrative Expenditures	--	--
Loan Cancellations and Bad		
Debt Expenses	--	--
Expended for Plant Facilities	--	--
Retirement of Indebtedness	--	--
Interest on Indebtedness	--	--
	<hr/>	<hr/>
Total Expenditures and Other Deductions	<u>\$2,055,390</u>	<u>\$882,669</u>

See Notes to Financial Statements

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1987

STUDENT LOAN FUND	PLANT FUNDS		
	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
\$ --	\$ --	\$ --	\$ --
--	--	16,259	--
--	--	--	--
--	--	--	--
--	--	9,700	--
19	--	--	--
3,081	--	--	--
--	--	--	143,064
--	--	--	29,005
<u>3,100</u>	<u>--</u>	<u>25,959</u>	<u>172,069</u>
--	2,104	--	--
--	--	--	--
2,765	--	--	--
8,585	--	--	--
--	--	--	--
--	--	27,115	--
--	--	47,289	--
<u>\$11,350</u>	<u>\$ 2,104</u>	<u>\$ 74,404</u>	<u>\$ --</u>

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1987

	CURRENT FUNDS	
	UNRESTRICTED GENERAL OPERATING	RESTRICTED
Refund of Federal Funds	\$ --	\$ --
<u>TRANSFERS AMONG FUNDS -</u> <u>ADDITIONS (DEDUCTIONS):</u>		
For Retirement of Indebtedness	(23,914)	(1,181)
Voluntary Transfers	(7,500)	--
Total Transfers	<u>(31,414)</u>	<u>(1,181)</u>
Net Increase (Decrease) in Fund Balance	<u>12,911</u>	<u>(7,382)</u>
Fund Balance, Beginning of Year as Previously Reported	143,065	19,122
<u>PRIOR YEAR ADJUSTMENTS:</u>		
Overstatement of Rev/Funds Refunded	20,000	--
Reclassification of Funds	<u>--</u>	<u>--</u>
Fund Balance, Beginning of Year as Adjusted	<u>123,065</u>	<u>19,122</u>
Fund Balance, End of Year	\$135,976 =====	\$11,740 =====
<u>FUND BALANCES CONSISTS OF:</u>		
Unrestricted	\$ 74,050	\$ --
Compensated Absences	61,926	--
College Contribution	--	--
Federal Contribution	--	--
Non-Capital Deficit	--	--
Restricted	--	11,740
Net Investment in Plant	<u>--</u>	<u>--</u>
Total Fund Balances	\$135,976 =====	\$11,740 =====

See Notes to Financial Statements

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1987

STUDENT LOAN FUND	PLANT FUNDS		INVESTMENT IN PLANT
	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	
\$ (9,000)	\$ --	\$ --	\$ --
--	--	25,095	--
1,000	6,500	--	--
1,000	6,500	25,095	--
(16,250)	4,396	(23,350)	172,069
87,913	--	(27,037)	172,069
--	--	--	--
--	--	--	--
--	6,000	(6,000)	--
87,913	6,000	(33,037)	4,047,030
\$ 71,663 =====	\$ 10,396 =====	\$(56,387) =====	\$4,219,099 =====
\$ --	\$ --	\$ --	--
--	--	--	--
13,130	--	--	--
85,810	--	--	--
(27,277)	--	--	--
--	10,396	(56,387)	--
--	--	--	4,219,099
\$ 71,663 =====	\$ 10,396 =====	\$(56,387) =====	\$4,219,099 =====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CURRENT FUNDS, REVENUES,
EXPENDITURES AND OTHER CHANGES
JUNE 30, 1987

	UNRESTRICTED GENERAL OPERATING FUND	RESTRICTED FUND
<u>REVENUES:</u>		
Tuition & Fees	\$ 127,725	\$ 1,175
State Appropriations	823,179	--
County Tax Levy	740,718	--
Federal Grants & Contracts	--	565,901
State Grants & Contracts	--	274,634
Private Grants & Contracts	--	34,396
Auxiliary Enterprises	383,439	--
Other	24,654	362
	<hr/>	<hr/>
Total Revenues	2,099,715	876,468
	<hr/>	<hr/>
<u>EXPENDITURES:</u>		
Instructional	681,907	150,284
Academic Support	194,782	67,056
Student Service & Aid	230,007	280,776
Operation & Maintenance of Plant	278,029	--
Instructional Support	310,220	66,890
Auxiliary Enterprises Expenditures	360,445	--
Scholarships & Fellowships	--	317,663
	<hr/>	<hr/>
Total Expenditures	2,055,390	882,669
	<hr/>	<hr/>
<u>TRANSFERS, INCREASE (DECREASE):</u>		
Voluntary Transfers	(31,414)	(1,181)
	<hr/>	<hr/>
Net Increase (Decrease) in Fund Balance	\$ 12,911	\$ (7,382)
	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

BALANCE SHEET
JUNE 30, 1988

ASSETS

	CURRENT UNRESTRICTED GENERAL OPERATING	FUNDS RESTRICTED
Cash on Hand & in Bank	\$ 2,120	\$ --
Cash on Deposits with County Treasurer	80,347	15,719
<u>Receivables:</u>		
Taxes Receivable	133,037	--
Student Loan Rec.	--	--
Accounts Receivable	7,972	12,538
Less Allowance for Doubtful Loans	--	--
Total Receivables	141,009	12,538
Prepaid Expenses	13,118	--
Inventories	30,862	--
<u>Property, Plant & Equipment:</u>		
Land	--	--
Buildings and Improvements (Including Construction in Progress)	--	--
Equipment/Library Books	--	--
Total Property, Plant & Equipment	--	--
Total Assets	\$267,456 =====	\$28,257 =====

See Notes to Financial Statements

BALANCE SHEET
JUNE 30, 1988

STUDENT LOAN FUND	AGENCY FUND	PLANT FUNDS		
		RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
<u>\$ 8,441</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>891</u>	<u>26,092</u>	<u>10,298</u>	<u>(89,492)</u>	<u>--</u>
--	--	--	--	--
63,902	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>63,902</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	204,298
--	--	--	--	3,679,619
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,418,326</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,302,243</u>
\$73,234	\$26,092	\$10,298	\$(89,492)	\$5,302,243
=====	=====	=====	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

BALANCE SHEET
JUNE 30, 1988

LIABILITIES AND FUND BALANCES

	<u>CURRENT FUNDS</u>	
	<u>UNRESTRICTED GENERAL OPERATING</u>	<u>RESTRICTED</u>
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 31,366	\$ 5,641
Compensated Absences	70,249	4,550
Accrued Bond Interest Payable	--	--
Other Liabilities and Deposits	--	--
Unearned Revenues	7,769	--
Mortgage Payable	<u>--</u>	<u>--</u>
Total Liabilities	<u>109,384</u>	<u>10,191</u>
Fund Balances	<u>158,072</u>	<u>18,066</u>
Total Liabilities and Fund Balances	\$267,456 =====	\$28,257 =====

See Notes to Financial Statements

BALANCE SHEET
JUNE 30, 1988

LIABILITIES AND FUND BALANCES

STUDENT LOAN FUND	AGENCY FUND	PLANT FUNDS		
		RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
\$ 2,426	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	26,092	--	--	--
--	--	--	--	--
--	--	--	--	171,737
<u>2,426</u>	<u>26,092</u>	<u>--</u>	<u>--</u>	<u>171,737</u>
<u>70,808</u>	<u>--</u>	<u>10,298</u>	<u>(89,492)</u>	<u>5,130,506</u>
 \$73,234	 \$26,092	 \$10,298	 \$(89,492)	 \$5,302,243
=====	=====	=====	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1988

	<u>CURRENT FUNDS</u>	
	<u>UNRESTRICTED GENERAL OPERATING</u>	<u>RESTRICTED</u>
<u>REVENUES & OTHER ADDITIONS:</u>		
Unrestricted Fund Revenues	\$1,894,702	\$848,549
Restricted Student Fees	--	--
State Funds	--	--
Federal Capital Contributions	--	--
Private Capital Contributions	--	--
Investment Income	--	--
Interest on Loans	--	--
Expended For Plant Facilities	--	--
Retirement of Indebtedness	--	--
	<hr/>	<hr/>
Total Revenues and Other Additions	<u>1,894,702</u>	<u>848,549</u>
 <u>EXPENDITURES & OTHER DEDUCTIONS:</u>		
Educational and General		
Expenditures	1,517,337	837,582
Auxiliary Enterprise Expenditures	331,350	--
Administrative Expenditures	--	--
Loan Cancellations and Bad		
Debt Expenses	--	--
Expended for Plant Facilities	--	--
Retirement of Indebtedness	--	--
Interest on Indebtedness	--	--
	<hr/>	<hr/>
Total Expenditures and Other Deductions	<u>\$1,848,687</u>	<u>\$837,582</u>

See Notes to Financial Statements

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1988

STUDENT LOAN FUND	PLANT FUNDS		
	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
\$ --	\$ --	\$ --	\$ --
--	--	17,682	--
--	--	--	--
9,000	--	293,633	--
--	--	478,299	--
127	--	--	--
1,040	--	--	--
--	--	--	107,256
--	--	--	804,151
<u>10,167</u>	<u>--</u>	<u>789,614</u>	<u>911,407</u>
--	4,382	--	--
--	--	--	--
3,138	--	--	--
1,974	--	--	--
--	--	--	--
--	--	804,151	--
--	--	41,447	--
<u>\$ 5,112</u>	<u>\$ 4,382</u>	<u>\$845,598</u>	<u>\$ --</u>

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1988

	CURRENT FUNDS	
	UNRESTRICTED GENERAL OPERATING	RESTRICTED
Refund of Federal Funds	\$ --	\$ --
<u>TRANSFERS AMONG FUNDS -</u> <u>ADDITIONS (DEDUCTIONS):</u>		
For Retirement of		
Indebtedness	(21,594)	(1,285)
Voluntary Transfers	(2,325)	(3,356)
Total Transfers	<u>(23,919)</u>	<u>(4,641)</u>
Net Increase (Decrease) in Fund Balance	<u>22,096</u>	<u>6,326</u>
Fund Balance, Beginning of Year	<u>135,976</u>	<u>11,740</u>
Fund Balance, End of Year	\$158,072 =====	\$18,066 =====
<u>FUND BALANCES CONSISTS OF:</u>		
Unrestricted	\$ 87,823	\$ --
Compensated Absences	70,249	--
College Contribution	--	--
Federal Contribution	--	--
Non-Capital Deficit	--	--
Restricted	--	18,066
Net Investment in Plant	<u>--</u>	<u>--</u>
Total Fund Balances	\$158,072 =====	\$18,066 =====

See Notes to Financial Statements

STATEMENT OF CHANGES IN FUND BALANCES
JUNE 30, 1988

STUDENT LOAN FUND	PLANT FUNDS		
	RENEWAL AND REPLACEMENT	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT
\$ 7,307	\$ --	\$ --	\$ --
--	--	22,879	--
1,397	4,284	--	--
<u>1,397</u>	<u>4,284</u>	<u>22,879</u>	<u>--</u>
(855)	(98)	(33,105)	911,407
<u>71,663</u>	<u>10,396</u>	<u>(56,387)</u>	<u>4,219,099</u>
\$ 70,808	\$ 10,298	\$ (89,492)	\$5,130,506
=====	=====	=====	=====
\$ --	\$ --	\$ --	--
--	--	--	--
14,124	--	--	--
87,503	--	--	--
(30,819)	--	--	--
--	10,298	(89,492)	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>5,130,506</u>
\$ 70,808	\$ 10,298	\$ (89,492)	\$5,130,506
=====	=====	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

STATEMENT OF CURRENT FUNDS, REVENUES,
EXPENDITURES AND OTHER CHANGES
JUNE 30, 1988

	UNRESTRICTED GENERAL OPERATING FUND	RESTRICTED FUND
<u>REVENUES:</u>		
Tuition & Fees	\$ 125,050	\$ 2,636
State Appropriations	724,926	--
County Tax Levy	684,331	--
Federal Grants & Contracts	--	601,837
State Grants & Contracts	--	226,307
Private Grants & Contracts	--	17,769
Auxiliary Enterprises	320,330	--
Other	40,065	--
	<hr/>	<hr/>
Total Revenues	1,894,702	848,549
	<hr/>	<hr/>
<u>EXPENDITURES:</u>		
Instructional	704,132	98,693
Academic Support	142,984	92,989
Student Service & Aid	211,700	248,173
Operation & Maintenance of Plant	223,287	--
Instructional Support	235,234	59,345
Auxiliary Enterprises Expenditures	331,350	--
Scholarships & Fellowships	--	338,382
	<hr/>	<hr/>
Total Expenditures	1,848,687	837,582
	<hr/>	<hr/>
<u>TRANSFERS, INCREASE (DECREASE):</u>		
Voluntary Transfers	(23,919)	(4,641)
	<hr/>	<hr/>
Net Increase (Decrease) in Fund Balance	\$ 22,096	\$ 6,326
	=====	=====

See Notes to Financial Statements

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1988 AND 1987

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Financial Statements

The financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles for colleges and universities.

The statements of current funds, revenues, expenditures and other changes are statements of financial activities of current funds related to the current reporting periods and do not purport to present the results of operations or the net income or loss for the periods.

Fund Accounting

The accounts of the college are maintained in accordance with the principles of fund accounting wherein resources are classified for accounting purposes into funds that are identified by the limitations and restrictions placed on their use.

Separate accounts are maintained for each fund; however, accounts with common characteristics are combined into fund groups and reflected as such in the accompanying financial statements.

The common characteristics of the funds contained in the various groups are as follows:

Current Funds:

The current funds group includes economic resources expendable in performing the primary objectives of the college, i.e., instruction and public service. The current funds group have two basic distinct subgroups: unrestricted funds which have no expenditure restrictions and restricted funds which have expenditure restrictions. Unrestricted current funds are comprised of the following:

Unrestricted - utilized for general operations in performing the primary objectives of the college.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

NOTES TO FINANCIAL STATEMENTS (CONT)
JUNE 30, 1988 AND 1987

Restricted - utilized for the operations of the college but limited by donors and other external agencies to specific purposes, programs or departments.

Student Loan Funds

The resources from this group of funds are available to students to aid in financing their education. Funds for the loans are provided by private and college sources with the majority of the funds being provided by the federal government.

Plant Funds

Plant funds are separated into three distinct self-balancing subgroup accounts:

Renewal and Replacement - utilized for maintenance of institutional assets.

Retirement of Indebtedness - utilized for debt servicing and retirement of indebtedness.

Investment in Plant - denotes the cost of long-term institutional assets and related liabilities and equity.

Inventories

Inventories, which consist mainly of bookstore supplies, are valued at cost (first-in/first-out method).

Investments

Substantially all cash of the College is administered through the Custer County Treasurer's office. The College entered into an agreement with Custer County to have cash on deposit invested under the County's repurchase agreement. The College's agreement with the County requires the County to make distributions of interest income to Miles Community College monthly, based on the end of the month cash balance of the College. The College is required to pay an administrative fee to the County in the amount of three percent of the interest income received.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

NOTES TO FINANCIAL STATEMENTS (CONT)
JUNE 30, 1988 AND 1987

Plant and Equipment

Physical plant and equipment are stated at cost at date of acquisition. Depreciation on physical plant and equipment is not recorded.

Unearned Tuition and Fees

Summer school tuition and fees revenues and related expenses are deferred at June 30, and recorded as revenue and expenses in the succeeding fiscal years.

Retirement Plans

Full-time employees of the Miles Community College are all members of the Montana Public Employees' Retirement System or Montana Teachers' Retirement System. The college's contribution to the plans totaled \$88,006 and \$93,009 for the years ended June 30, 1988 and 1987, respectively. At June 30, 1986, the Public Employees' Retirement System, and at June 30, 1987 the Teachers' Retirement System were reported by the systems' actuary to be actuarially sound. The unfunded past service costs and the actuarially computed value of the vested benefits are not readily available for members of the plans employed by the college.

NOTE 2 - MORTGAGES PAYABLE

Notes payable consists of:

	<u>1988</u>	<u>1987</u>
5% mortgage payable to the Farmers Home Administration, due in monthly installments of \$4,833, including interest, secured by land.	\$ 0-	\$794,360
3% mortgage payable to the Department of Housing and Urban Development, due in semi-annual payments, ranging from \$1,700 to \$4,500, plus interest, to July 2012, secured by real estate.	160,200	164,600
11% contract payable, due in monthly installments of \$581, including interest, to May 1990, secured by the telephone system.	<u>11,537</u>	<u>16,928</u>
	\$171,737	\$975,888
	=====	=====

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

NOTES TO FINANCIAL STATEMENTS (CONT)
JUNE 30, 1988 AND 1987

Notes payable maturities are as follows:

1989	\$ 10,608
1990	10,329
1991	5,000
1992	5,200
1993	5,200
1994-98	28,600
1999-2003	33,000
2004-2008	39,000
2009-2012	34,800
	<u>\$171,737</u>
	=====

NOTE # 3 - PRIOR PERIOD ADJUSTMENTS

The following restatement of beginning fund balance as of July 1, 1986 was made to correct the overstatement of revenue recorded in prior period:

Current Unrestricted

Balance as previously reported	\$143,065
Reclassified funds returned from state	<u>(20,000)</u>
	<u>\$123,065</u>
	=====

NOTE #4 - COMPENSATED ABSENCES

The college accounts for unused vacation and sick leave in accordance with the Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences. Permanent employees can accumulate and carry to the following calendar year two times the maximum number of vacation days earned annually. Unused vacation leave is paid at full value to employees upon termination. Upon termination, unused sick leave earned is paid to the employee at 25% of value.

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

NOTES TO FINANCIAL STATEMENTS (CONT)
JUNE 30, 1988 AND 1987

NOTE #5 - CONTINGENT LIABILITY - RELATED PARTY TRANSACTION

The Board of Trustees of the College approved payment to Miles Community College Endowment Corporation, of 1/3 of the P.E. Building Fee collected until the current deficit in the plant fund for the CENTRA Building debt retirement is eliminated. The fee collected is \$1.50 per credit hour on a maximum of 12 hours. The deficit is the CENTRA Building debt retirement fund as of June 30, 1988 was \$88,385.

The Miles Community College Endowment Corporation is a separate corporation formed to promote Miles Community College. The endowment corporation contributed revenue to the college in the amount of \$458,299 and \$9,700 for the years ended June 30, 1988 and 1987, respectively, for the retirement of the Farmers Home Administration mortgage.

SUPPLEMENTAL SCHEDULES

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

SCHEDULE OF FEDERAL GRANT EXPENDITURES
FOR YEARS ENDED JUNE 30, 1988 AND 1987

	<u>1988</u>	<u>1987</u>
<u>DEPARTMENT OF EDUCATION:</u>		
Adult Basic Education	\$ 17,749	\$ 15,938
Title III	166,606	195,396
Title VIII	92,989	67,056
Retired Senior Volunteer Program:		
Wolf Point	22,569	21,817
Baker	16,601	20,244
Miles City	<u>14,769</u>	<u>14,161</u>
	331,283	334,612
<u>FARMERS HOME ADMINISTRATION:</u>		
Forgiveness of Debt	293,633	--
<u>DEPARTMENT OF COMMERCE:</u>		
Public Telecommunications Facilities Program	<u>10,133</u>	<u>--</u>
	\$635,049	\$334,612
	=====	=====

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

SCHEDULE OF EXPENDITURES
FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM
JUNE 30, 1988 AND 1987

	<u>1988</u>	<u>1987</u>
<u>PERKINS LOAN PROGRAM</u>		
Student Loans Advanced	\$ 13,266	\$ 13,000
Administrative Cost Allowance	<u>2,426</u>	<u>2,429</u>
	\$ 15,692	\$ 15,429
	=====	=====
<u>COLLEGE WORK-STUDY PROGRAM</u>		
Student Wages	<u>\$ 7,488</u>	<u>\$ 7,936</u>
	\$ 7,488	\$ 7,936
	=====	=====
<u>SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM</u>		
Student Grants	<u>\$ 25,907</u>	<u>\$ 25,659</u>
	\$ 25,907	\$ 25,659
	=====	=====
<u>PELL GRANT PROGRAM</u>		
Student Grants	<u>\$284,744</u>	<u>\$257,570</u>
	\$284,744	\$257,570
	=====	=====
<u>NURSING STUDENT LOAN PROGRAM</u>		
Student Loans Advanced	\$ --	\$ 900
	=====	=====

MILES COMMUNITY COLLEGE
MILES CITY, MONTANA

SCHEDULE OF ENROLLMENT STATISTICS
FOR THE YEARS ENDED
JUNE 30, 1988 AND 1987

<u>QUARTER</u>	<u>FULL-TIME EQUIVALENT</u>		
	<u>RESIDENTS</u>	<u>EXTENSION</u>	<u>TOTAL</u>
Summer, 1986	32.8	--	32.8
Fall, 1986	388.8	14.1	402.9
Winter, 1987	414.5	4.1	418.6
Spring, 1987	367.5	11.6	379.1
Summer, 1987	28.7	--	28.7
Fall, 1987	403.8	3.5	407.3
Winter, 1988	406.0	4.6	410.6
Spring, 1988	376.7	13.5	390.2

JAMES J. WOSEPKA

CERTIFIED PUBLIC ACCOUNTANT

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BEACH, NORTH DAKOTA 58621
(701) 8724321

P.O. BOX 602
10 EAST MONTANA AVENUE
BAKER, MONTANA 59313
(406) 778-2816

Legislative Audit Committee of the Montana State Legislature

I have examined the accompanying financial statements of Miles Community College, as of and for the two year period ended June 30, 1988 and have issued my report dated October 26, 1988. As part of my examination, I made a study and evaluation of internal accounting control of Miles Community College to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards, the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. For the purposes of this report, I have classified the significant internal accounting controls in the following categories:

1. Financial Statements Captions

Cash and cash equivalents
Receivables
Fixed Assets
Payables and accrued liabilities
Debt
Fund Balances

My study included all the control categories listed above. The purpose of my study and evaluation was to determine the nature, timing, and extent of performing the auditing procedures necessary for expressing an opinion on the College's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or any of the categories of controls identified above.

The administration of Miles Community College is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Miles Community College taken as a whole or on any of the categories of controls identified in the first paragraph. However, my study and evaluation disclosed the following condition that I believe to be a material weakness:

Segregation of Incompatible Duties

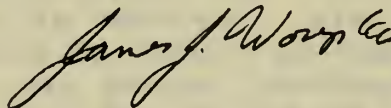
Three persons have the primary responsibility for all of the accounting and financial and data processing duties. As a result, many of those aspects of internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in your College. I recognize that your College probably is not large enough to make the employment of additional persons for the purpose of segregating duties practicable from a financial standpoint, but I am required, under my professional responsibilities, to call the situation to your attention.

The results of the study and evaluation of internal accounting controls were considered in determining the nature, timing and extent of the audit tests to be applied in my examination of the June 30, 1988 and 1987 financial statements, and this report does not affect my report on the financial statements dated October 26, 1988.

This report is intended solely for the use of management, the cognizant audit agency and other federal agencies and should not be used for any other purpose.

I would like to acknowledge all of the assistance and many courtesies extended to me by the personnel of Miles Community College during my examination.

Baker, Montana
October 26, 1988



JAMES J. WOSEPKA

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 970
41 CENTRAL AVENUE SOUTH
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(701) 8724321

P.O. BOX 602
10 EAST MONTANA AVENUE
BAKER, MONTANA 59313
(406) 778-2816

Legislative Audit Committee of the Montana State Legislature

I have examined the basic financial statements of the Miles Community Collage for the two year period ended June 30, 1988, and have issued my report thereon dated October 26, 1988. As part of my examination I made a study and evaluation of the internal control systems, including applicable internal controls used in administering student financial assistance programs to the extent I considered necessary to evaluate the systems as required by generally accepted auditing standards, the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the U.S. General Accounting Office, and the Student Financial Assistance Audit Guide, May 1988. For the purpose of this report, I have classified the significant internal controls in the following categories:

- Cash Management
- Reporting
- Eligibility
- File Maintenance and Record Keeping
- Receipts and Disbursments

The management of Miles Community College, is responsible for establishing and maintaining internal control systems including those used in administering student financial assistance programs. In fulfilling that resonsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems are to provide management with reasonable, but not absolute, assurance that, transactions are executed in accordance with management's authorization; resources are safeguarded against waste, loss, and misuse; financial statements are prepared in accordance with generally accepted accounting principles; reliable data are obtained, maintained, and fairly disclosed in financial reports and with respect to student financial assistance programs, resource use is consistent with laws, regulations and policies.

Because of inherent limitations in any system of internal controls errors, irregularities, or noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

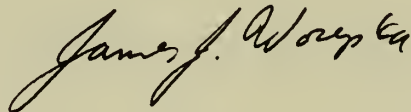
My study included all of the applicable control categories listed above.

With respect to internal control systems used in administering student financial assistance programs, my study and evaluation included considering the types of errors, irregularities, and noncompliance that could occur, determining the internal control procedures that should prevent or detect such errors, irregularities and noncompliance, determining whether the necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

My study and evaluation was more limited than would be necessary to express an opinion on the internal control systems used in administering the student financial assistance programs of Miles Community College. Accordingly, I do not express an opinion on the internal control systems used in administering the student financial assistance programs of Miles Community College.

My study and evaluation and my examination disclosed no condition that I believe to be a significant weakness in relation to the student financial assistance program of Miles Community College.

This report is intended solely for the use of management, the cognizant audit agency and the U.S. Department of Education and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Legislative Audit Committee is a matter of public record.



Baker, Montana
October 26, 1988

COLLEGE REPLY



MILES COMMUNITY COLLEGE

2715 Dickinson

MILES CITY, MONTANA 59301

Telephone (406) 232-3031

November 8, 1988

James J. Wosepka, CPA
P.O. Box 1097
Beach, ND 58621

Dear Mr. Wosepka:

Following are our responses to the recommendations that were made in your 1986-88 Miles Community College Audit:

Recommendation #1: INVESTMENT IN PLANT FUND

Concur. We plan to develop a department-based inventory and reconcile and update on an annual basis.

Recommendation #2: DELINQUENCY RATE

Concur. We are continuing to pursue past due debtors to bring their accounts up to date. Our 9-30-88 rate is 8.23%.

Recommendation #3: ACCOUNTING SYSTEM

Concur. We have finished our parallel running of the old and new accounting systems and as of September, 1988 are fully on the new system.

Recommendation #4: PRIOR YEAR ADJUSTMENTS

Concur. Current audit adjustments have been posted as of October, 1988.

Recommendation #5: FEDERAL PROGRAMS

Concur. All prior recommendations have been addressed and/or implemented.

Respectfully submitted,

W. Wayne Muri
Business Manager
Miles Community College



MILES COMMUNITY COLLEGE

2715 Dickinson

MILES CITY, MONTANA 59301

Telephone (406) 232-3031

May 25, 1988

First Security Bank and Trust
P.O. Box 250
Miles City, Montana 59301

In Compliance with the Rules and Regulations published in the Federal Register/Vol. 52, No. 230/Tuesday, December 1, 1987, Sections 675.19, 676.19 and 690.81 we are hereby notifying your institution that Miles Community College has on deposit federal monies in the Custer County Treasurer's savings account #103-315-8.

Respectfully submitted,

W. Wayne Muri
Business Manager

WWM/rc



MILES COMMUNITY COLLEGE

2715 Dickinson

MILES CITY, MONTANA 59301

Telephone (406) 232-3031

May 25, 1988

U.S. Department of Education
NDSL/Perkins Skiptracing Service
P.O. Box 4132
Iowa City, Iowa 52244-4132

RE: Safeguard Procedures - 26 U.S.C. 6103(P)(4)(E)

1. Responsible official: / W. Wayne Muri
Business Manager
(406) 232-3031 Ext. 15
2. Does not apply
3. Organizational structure - attached
4. Information flow:
Requested information is received directly in the Business Office where the address is noted and then information is destroyed.
5. Does not apply
6. Utilization of data:
Only current address information will be requested to assist us with our in-house due diligence. The address will be updated to the borrower's Perkins Loan file.
7. Safeguard procedures:
 - (a) All requests for information must originate from the Business Manager and is directly received by the Business Manager. Address updates are recorded in the borrower's loan file at which time requested information is destroyed.
 - (b)/(c) Loan files are secured in a vault that is accessible only to the Financial Aid Office and the Business Office.
 - (d) No computer processing or commingling with other data.
 - (e) Information is not retained but is shredded after use.
8. Does not apply
9. Contractors/Agents:
Information is used only for in-house loan servicing -- due diligence procedures.

W. Wayne Muri

43 Business Manager

EQUAL OPPORTUNITY IN EDUCATION AND EMPLOYMENT

WWM/rc

PROCEDURE

College Work Study Payroll

CWS payrolls will be processed through the MCC Payroll fund within 5 working days following the month-end pay period.

The Payroll fund will be reimbursed at month's end from the College Work Study fund by check at the same time as institutional matching funds are transferred to the CWS program.

